

**FOREST EXCISE TAX**  
**Reporting Information**  
**Timber from Private Land and Public Land**

### Forest Excise Tax

Timber harvested in the State of Washington is subject to the Forest Excise Tax.

### Registration

A Forest Excise Tax Registration Number is an individual account number assigned by the Department of Revenue to identify each harvester. (This is not a UBI number.)

### Tax Paid by the Harvester

When timber is harvested from **private** land, the person who owns the timber at the time of the harvest is responsible for the Forest Excise Tax. Contractors performing labor and services for the timber owner are not responsible for the Forest Excise Tax. When the owner of the timber cannot be determined, the landowner at the time of harvest will be responsible for the Forest Excise Tax.

When timber is harvested from **public** lands, the timber owner is the first person (other than the public entity) to acquire title or possessory interest to the timber.

Please be advised that all timber harvested from public lands is **export restricted**. Purchasers have specific reporting requirements to the Department of Revenue, and logs must be properly painted and branded prior to leaving the harvest site. For a complete description of regulations, see WAC chapter 240-15. Contact the department for additional information or reporting forms.

### Reporting Periods

Forest Excise Tax is paid quarterly. For private land the tax is due at the end of the month following the quarter in which the timber is harvested. For public land the tax is due at the end of the month following the quarter in which the purchaser is billed by the seller for the timber.

#### Quarter 1

January 1 through March 31                      due April 30

#### Quarter 2

April 1 through June 30                      due July 31

#### Quarter 3

July 1 through September 30                      due October 31

#### Quarter 4

October 1 through December 31                      due January 31

### Penalties

Late filing penalties are due on returns if payment is not received by the due date.

### Forest Excise Tax Return

The Department of Revenue will mail tax returns at the end of each quarter to all harvesters with active permits.

All harvesters with active permits must file a return each quarter until the harvest is completed and all tax has been paid.

The tax rate is 5% and is calculated on the stumpage value of the timber. Stumpage Value Tables are published by the Department of Revenue twice a year for those reporting on the Large Harvester return. Anyone who cuts less than two million board feet per calendar year has the option of using the Small Harvester return and calculates their tax based on the gross mill price minus the harvesting and marketing costs. For public harvesters, the taxable stumpage value is the actual amount paid for the timber in cash and other considerations.

Permits that are eligible for the EARR credit (Enhanced Aquatic Resources Requirements) receive a credit equal to 0.8% of stumpage value. Credit eligibility is determined by the Department of Natural Resources.

Harvesters owing tax less than \$50 (after EARR credit is applied) for the quarter (combined private and public land), are excused from payment of tax. However, they must complete and mail the return to the Department of Revenue.

If there is no harvest activity in a quarter, a "No Harvest" return must be filed to avoid delinquency. Check the No Harvest box (✓) on the Return and mail it to the Department of Revenue. Check the appropriate closure columns if the harvest is totally complete or no future harvest is to be reported. You may also call our automated line at 1-800-547-9815 to report your "No Harvest" activity on a quarterly tax return.

### Business and Occupation Tax (B&O)

Timber harvesting is considered a business activity under Washington law. If the gross receipts from sale of logs during the calendar year reach \$100,000, B&O tax is due on the gross receipts for the entire year. For more information, call our toll free number.

### Records

For purposes of audit, the records used to determine the amount of tax due must be kept available for review by the Department of Revenue for five years (RCW 82.32.070).

## **For Help With Tax Returns**

These locations have a professional forester available by appointment. Or you can call our toll free number for assistance over the phone.

### **District Offices**

#### **Everett**

9930 Evergreen Way, Suite Y-150  
Everett WA 98204-3893  
(425) 356-4847

#### **Olympia**

Capital Plaza Building  
1025 Union Ave SE  
Suite 102  
Olympia WA 98501  
(360) 570-3203 or toll free  
1-800-548-8829

#### **Spokane**

1330 N Washington,  
Suite 5600  
Spokane WA 99201-2456  
(509) 937-4100

#### **Tacoma**

Home Street Bank  
3315 S 23<sup>rd</sup> St  
Suite 300  
Tacoma WA 98405-1685  
(253) 382-2180

#### **Vancouver**

8008 NE 4<sup>th</sup> Plain Blvd  
Suite 320  
Vancouver WA 98668  
(360) 256-2126

## **Mailing Address**

Department of Revenue  
Special Programs Division  
Forest Tax Program  
PO Box 47472  
Olympia WA 98504-7472

Toll Free: 1-800-548-8829

Internet: <http://dor.wa.gov>

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.